



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: New England Piping & Welding Company

File: B-249561.2; B-251464

Date: March 15, 1993

James M. Silvia for the protester,
Timothy P. Walsh, Esq., and Paul M. Fisher, Esq., Department
of the Navy, for the agency,
David Hasfurthur, Esq., and Michael R. Golden, Esq., Office
of the General Counsel, GAO, participated in the preparation
of the decision.

DIGEST

Agency properly rejected bid since its total price of \$179,975 for the work, which was more than twice the agency estimate of \$88,320, was clearly unreasonable. The protester makes no argument that the agency estimate is incorrect or that the determination of unreasonableness was based on fraud or bad faith.

DECISION

New England Piping & Welding Company protests the rejection of its bid under invitation for bids (IFB) No. N62472-92-B-3201, issued by the Naval Submarine Base, New London, Connecticut, for a backflow prevention survey and for preventive maintenance. The agency determined that New England's bid for one item contained a mistake because it was too low for the work solicited. After correction of the mistake, the agency found that the bid price was unreasonable. New England maintains that no mistake was made and that award should be made to it on the basis of its bid as submitted. New England also protests the subsequent resolicitation and award of a portion of the agency's requirements.

We deny the protest.

The IFB requested prices for three line items. Line item 0001 required a unit and total lump-sum fixed price for the testing, repair, and certification of all known (listed in IFB section J-C2) backflow or cross connection preventer devices. Line items 0002 and 0003 covered indefinite quantity work. Line item 0002 requested a unit and total

price for surveying base facilities, in accordance with IFB section C.9, in order to inventory all existing devices and to determine the need for additional devices. Section C.9 refers to an exhibit which lists 318 facilities which were to be surveyed. Line item 0003 requested unit and total prices for the testing, repair, and certification of any devices not listed in IFB section J-C2. The agency's requirements for all three items were expressed as estimated quantities. Award was to be made to the bidder submitting the lowest total price for the fixed-price work item and the indefinite quantity work items.

Bids were opened on April 14, 1992. New England submitted the low bid of \$21,475. Standard Sprinkler Corp., the only other bidder, bid \$69,168. The agency suspected a mistake in New England's bid because of the disparity between that bidder's price and both Standard's price and the government estimate of \$88,320. More specifically, the mistake was believed to have been made in New England's price for item 0002, which was to be bid in the following manner:

<u>ITEM</u>	<u>DESCRIPTION OF SERVICES</u>	<u>UNIT</u>	<u>ESTIMATED QTY</u>	X	<u>UNIT PRICE</u>	=	<u>TOTAL</u>
0002	INITIAL SURVEY						
0002AA	INITIAL INVENTORY OF ALL FACILITIES (PARA. C.9)	EA	1	X	\$	=	\$

New England bid a unit price of \$500 and a total price of \$500 for this item. The agency concluded that New England's total price was too low and could not apply to all of the 318 estimated facilities to be inventoried. Paragraph C.9 stated that the inventory required the contractor to visit the estimated 318 sites listed in section J-C1.


In response to the agency's request that New England review and verify its bid, New England submitted an April 20 letter stating that: "Our price for the initial survey of all existing facilities [sites] is based [on] . . . our average cost per facility of \$500 each" The protester submitted sample billings for separate delivery orders, which were to be issued for indefinite quantity work, showing that it would bill \$500 every time it had to inventory one site. It refused, however, to admit that it had made a mistake. Consequently, by letter of October 23, the agency determined, based on New England's admission that it had bid a price of \$500 per facility, that New England's total price for item 0002 was \$159,000 based on its price of \$500 per facility times the 318 facilities to be surveyed.

The agency concluded that New England's overall bid price of \$179,975 was unreasonable because its total estimate for the work was \$88,320. New England's bid was, accordingly, rejected. After Standard was found to be nonresponsive, the solicitation was canceled, and a request for quotations (RFQ) was issued for a portion of the original work. An award on the basis of the RFQ was subsequently made. New England protests the agency's rejection of its bid and the subsequent resolicitation.

We believe that the agency's rejection of New England's bid was proper. While the manner in which the agency requested prices for item 0002 may have been misleading (the estimated quantity should have been 318, not "1," and the evaluation of that line item should have been based on that higher quantity), New England admits that it bid the line item price of \$500 as a per facility price. The protester also concedes that the solicitation identified 318 facilities to be surveyed. Thus, New England does not dispute that its total price, based upon a proper evaluation, would be \$179,975. That is the figure the agency used in determining that the price was unreasonable.

We object to a contracting officer's determination of price reasonableness only when it established to be unreasonable. Sigma West Corp., B-247916, July 20, 1992, 92-2 CPD ¶ 31. Here, where New England's actual bid price of \$179,975 is more than twice the agency estimate of \$88,320 and where New England does not even allege that the estimate was invalid, there is no basis to disturb the determination.

The protest is denied.


for James F. Hinchman
General Counsel